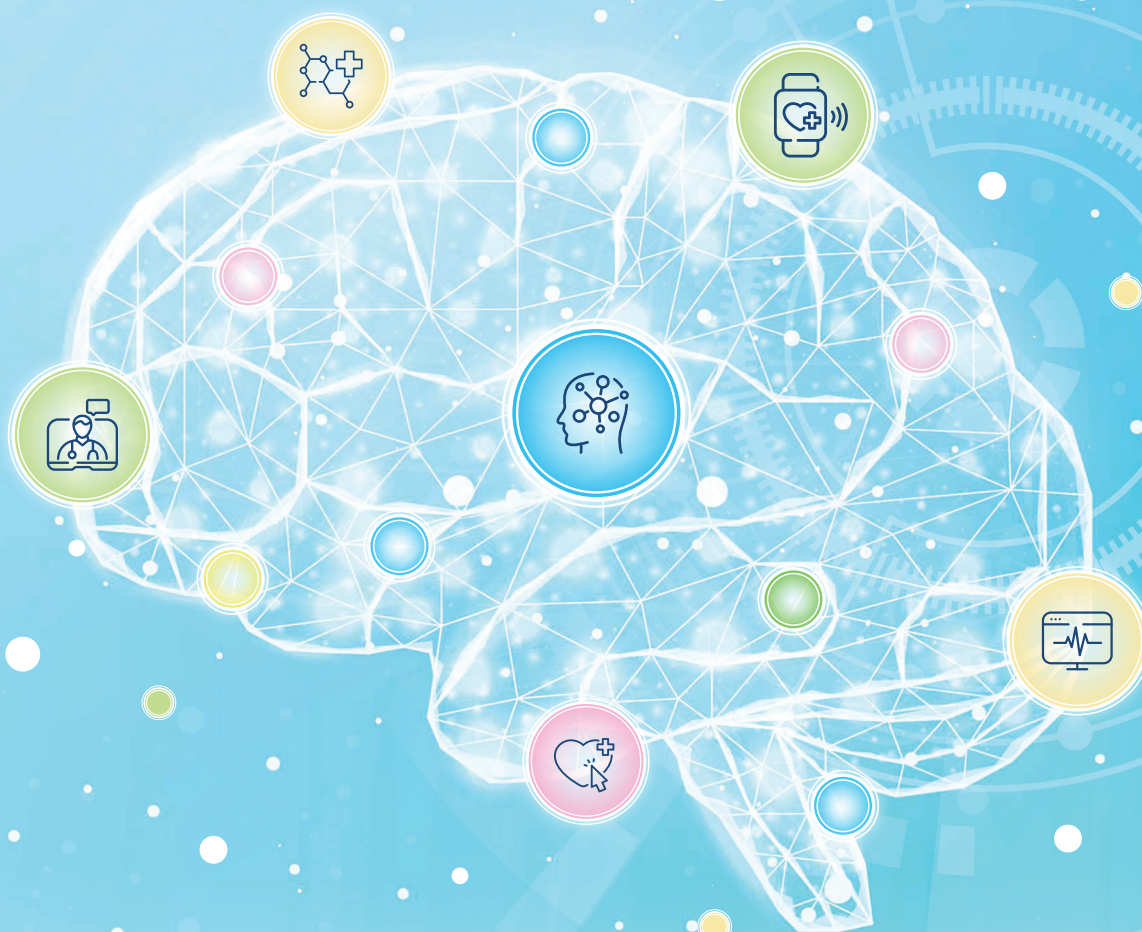




脑动极光医疗科技有限公司

Stock Code: 6681



2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

This is an environmental, social and governance (ESG) report (hereinafter referred to as the “ESG Report” or “this Report”) prepared and issued by BrainAurora Medical Technology Limited (hereinafter referred to as “BrainAurora”, the “Company” or “we”), which aims to objectively and impartially disclose the Company’s management, practices and performance in ESG, and respond to the expectations and concerns of all stakeholders.

Scope of Report

This Report covers the performance of BrainAurora Medical Technology Limited in environment, society and governance. The reporting period is from January 1, 2024 to December 31, 2024, and some content exceeds the above scope.

Data Description

The information and data of this Report are mainly derived from our internal company documents and reports, relevant statistical reports, stakeholder surveys and relevant public information. The Company’s emissions and energy use indicators are counted and calculated in accordance with national regulations or international standards. Unless otherwise specified, the monetary amounts involved in this Report are measured in RMB.

Report Language

This Report is published in Chinese and English. If there is any difference, please refer to the Chinese version.

Basis of Preparation

This Report is prepared in accordance with the Guidelines on Environmental, Social and Governance Reporting (hereinafter referred to as the “ESG Reporting Guidelines”) in Appendix C2 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”), with materiality, quantification, balance and consistency as the reporting principles, and following the “Comply or Explain” clause set out in the ESG Reporting Guidelines to report on ESG topics and data.

“Materiality” principle: The main stakeholders and their ESG topics of concern have been identified in this Report during its preparation process, and targeted disclosures were made in this Report based on the relative importance of their topics of concern.

“Quantification” principle: This Report shows key performance indicators at the environmental and social levels by quantitative data. The measurement standards, methods, assumptions and/or calculation tools of the key performance indicators in this Report, as well as the sources of conversion coefficients used, have been explained in the corresponding parts.

“Balance” principle: This Report objectively and impartially presents the Company’s ESG performance, avoiding selections, omissions or reporting formats that may inappropriately affect the decision-making or judgment of the report readers.

“Consistency” principle: This is the first Environmental, Social and Governance (ESG) Report issued by BrainAurora Medical Technology Limited. Unless otherwise specified, the key performance indicators and data statistical methods consistent with those in this Report will be used in the future to provide readers with meaningful comparisons of the Company’s ESG information.

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ABOUT BRAINAURORA

1. Company Profile

We are a seasoned player in China's cognitive impairment digital therapeutics (the "DTx") market. As an industry pioneer, we have successfully developed the first cognitive impairment DTx product that has obtained regulatory approval in China, combining cutting-edge brain science research with artificial intelligence (the "AI") technologies. We have established a comprehensive product matrix that covers both the assessment and intervention of a broad range of cognitive impairments induced by vascular diseases, neurodegenerative diseases, psychiatric disorders, and child development deficiencies, among others. With innovative technologies and significant clinical value, our DTx product has been formally approved by the National Medical Products Administration.

Our mission: Accelerate the diagnosis and treatment of brain health diseases

Our vision: To become the world's leading company in cognitive impairment DTx technology

Our values: Patient-oriented, scientific evidence-based, innovative and creative, win-win cooperation

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Company History

Year	Event
2012	<ul style="list-style-type: none"> BrainAurora Zhejiang was founded in the PRC.
2014	<ul style="list-style-type: none"> We cooperated with Chinese Association for Mental Health (中國心理衛生協會) in relation to qualification training sessions for cognitive training.
2017	<ul style="list-style-type: none"> We cooperated with Xuanwu Hospital in relation to conducting research on cognitive training clinics.
2018	<ul style="list-style-type: none"> We obtained the initial Class II medical device registration certificate for the Brain Function Information Management Platform Software System, our Core Product, from the Hunan MPA.
2020	<ul style="list-style-type: none"> We extended the scope of the medical device registration certificate for our Core Product to include eight indications, including vascular cognitive impairment, Alzheimer's disease, aphasia, depression, schizophrenia, sleep disorder, ADHD and autism; We cooperated with Chaoyang Hospital to help establish the first cognitive center adopting DTx in China.
2021	<ul style="list-style-type: none"> We cooperated with National Health Commission Capacity Building and Continuing Education Center (國家衛生健康委能力建設和繼續教育中心) in relation to cognitive disorder diagnosis and treatment specialist capacity building.
2022	<ul style="list-style-type: none"> We obtained a Class II medical device registration certificate for the Cognitive Ability Supplemental Screening and Assessment Software from the Hunan MPA; We obtained CE mark for our Cognitive Impairment Treatment Software in the EU; We obtained a Class II medical device registration certificate for the Basic Cognitive Capability Assessment Testing Software from the Hunan MPA.
2023	<ul style="list-style-type: none"> We obtained a Class II medical device registration certificate for Dyslexia Supplemental Screening and Assessment Software from the Hunan MPA.

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2. Honorary Awards

- Beijing Zhijingling Technology Co., Ltd., a subsidiary of BrainAurora, was approved for the qualification certification on Beijing “Specialized, Refined, Differentiated and Innovative” Small and Medium-sized Enterprises



- The “Large model to help improve the diagnosis and treatment level of cognitive impairment” case developed by BrainAurora was shortlisted for the Artificial Intelligence Special Forum “Typical Cases of Artificial Intelligence Large Model Scenario Application 2024” of the Global Digital Economy Conference 2024



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- BrainAurora won the "Global Cognitive Impairment Digital Therapy Innovation Award" awarded by Frost & Sullivan



- BrainAurora was selected into the "Digital Health New Quality Productive Forces Innovation Cases 2024", its self-developed "66nao® Cognitive Impairment Digital Therapeutics" won the award of "Innovative Technology Product"

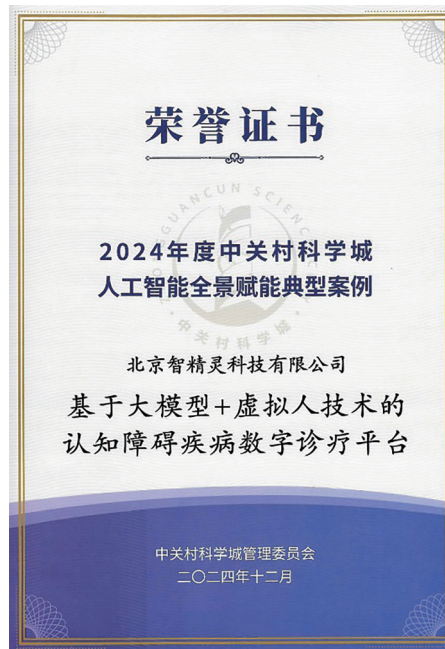


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- The “Artificial Intelligence Digital Therapeutics Diagnosis and Treatment Technology Platform” independently developed by BrainAurora won the award of “AI Outstanding Innovation Practice 2024” issued by DTInsight



- The case of “Digital Diagnosis and Treatment Platform for Cognitive Disorders Based on Large Model + Virtual Human Technology” submitted by Beijing Zhijingling Technology Co., Ltd., a subsidiary of BrainAurora, won the award of “Zhongguancun Science City Artificial Intelligence Panoramic Empowerment Typical Case 2024”



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABILITY MANAGEMENT

1. Statement by the Board

Our Board attaches great importance to ESG governance and regards it as an important cornerstone for the Company's long-term sustainability. As the highest decision-making authority on ESG matters, the Board is fully responsible for formulating the Company's ESG strategies, goals and management policies, supervising the implementation of ESG-related policies, and regularly evaluating the progress and effectiveness of ESG work to ensure that ESG factors are deeply integrated into the Company's strategic decision-making and daily operation management.

ESG Regulatory Matters

The Board incorporates ESG management into the Company's core governance system, clarifies the responsibilities of the management in ESG matters, and establishes a systematic reporting mechanism. In 2025, the Board has reviewed and approved the ESG report for this year to ensure that ESG management and the Company's business development goals are promoted in a coordinated manner.

ESG Strategy and Risk Management

By integrating the requirements of ESG governance into its day-to-day management system, we systematically identify ESG (including climate change) risks and opportunities, formulate response strategies, and prioritize and manage ESG-related issues based on industry trends, regulatory requirements and stakeholders' expectations. The Board regularly listens to the management's reports on major ESG topics, including environmental goal setting, social responsibility fulfillment and corporate governance optimization, to ensure that the ESG strategy is consistent with the Company's overall development direction.

ESG Goals and Continuing Improvement

In 2025, we have identified ESG goals that are closely related to business operations, including carbon emission management, waste management, energy management and water resource management. The Board will continue to monitor the implementation of ESG goals and transparently disclose relevant progress to stakeholders through the annual ESG report.

The Board of the Company has reviewed and approved this Report on March 28, 2025.

Board of Directors

BrainAurora Medical Technology Limited

March 28, 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. ESG Strategy and Governance Structure

We firmly believe that the Company's sustainable development is closely related to environmental, social and governance responsibilities, and a complete ESG governance system is an important cornerstone to support the Company's high-quality development. By improving the ESG governance structure and process, we deeply integrate the concept of sustainable development into the Company's operation and management system, effectively prevent ESG risks while achieving operation goals, and actively fulfill environmental and social responsibilities.

We have built a systematic ESG governance structure. As the highest responsible body for the Company's ESG governance, the Board comprehensively leads the Company's ESG work, assesses ESG-related risks, and establishes management and internal monitoring mechanisms. The Board has an ESG committee, which is responsible for formulating overall ESG goals and strategies, and working with the administrative department to ensure that various policies comply with national laws and regulations and industry standards. In addition, the Company has established an ESG working group comprising heads of our business departments, which shall be responsible for the on-the-ground execution of the ESG strategies set by the Board. As a bridge between the strategy and execution, the group shall ensure that ESG initiatives are effectively implemented, and be subject to the supervision of the Board, forming a closed-loop management, and promoting the realization of the Company's sustainable development goals.

We continue to improve the ESG management mechanism and deeply integrate sustainable development goals into the business development strategies. By establishing a systematic risk management system and performance evaluation mechanism, we ensure that the ESG concept runs through the entire process of corporate operations. At the same time, the Company regularly conducts sustainable development training for employees, continuously improves the environmental awareness and professional capabilities of all employees, and actively participates in social welfare undertakings to fulfill corporate social responsibility. While pursuing operating benefits, we are always committed to creating long-term value for all stakeholders, promoting the harmonious coexistence of enterprises with the environment and society, and promoting the high-quality development of the Company.

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3. Communication with Stakeholders

Our external stakeholders mainly include shareholders and investors, government and regulatory authorities, collaborating hospitals, patients, suppliers, media, community members and public welfare organizations; internal stakeholders mainly include board members, senior managers and employees. We have established effective communication channels to actively collect and respond to the concerns of all stakeholders on the Group's ESG topics, and the suggestions obtained are used as an important reference to guide the Company's ESG work.

Stakeholder groups	Key communication channels	Key matters of concern
Shareholders and investors	<ul style="list-style-type: none"> Investor meetings General meetings Corporate announcements and circulars Investor relations column Questionnaires 	<ul style="list-style-type: none"> Corporate governance Financial performance Stable returns Risk management
Government and regulatory authorities	<ul style="list-style-type: none"> Major meetings Policy consultation Event reports Institutional inspections Information disclosure 	<ul style="list-style-type: none"> On-time payment of taxes Law and regulation compliance Energy saving and emission reduction Industry impact
Collaborating hospitals	<ul style="list-style-type: none"> Cooperation meetings Field visits Satisfaction surveys Complaint channels Questionnaires 	<ul style="list-style-type: none"> Customer service Privacy protection Industry impact Business ethics Mutual benefit and win-win situation
Patients	<ul style="list-style-type: none"> Patient satisfaction surveys Daily communication Service complaints and feedback channels 	<ul style="list-style-type: none"> Product and medical service quality Patient privacy protection Community investment
Suppliers	<ul style="list-style-type: none"> Bidding and procurement activities Field visits Regular reviews Questionnaires 	<ul style="list-style-type: none"> Business ethics Mutual benefit and win-win situation Payment process
Board members	<ul style="list-style-type: none"> Board meetings Committee meetings Annual reports of the Company Questionnaires 	<ul style="list-style-type: none"> Strategic planning Risk management Financial performance Ethical standards

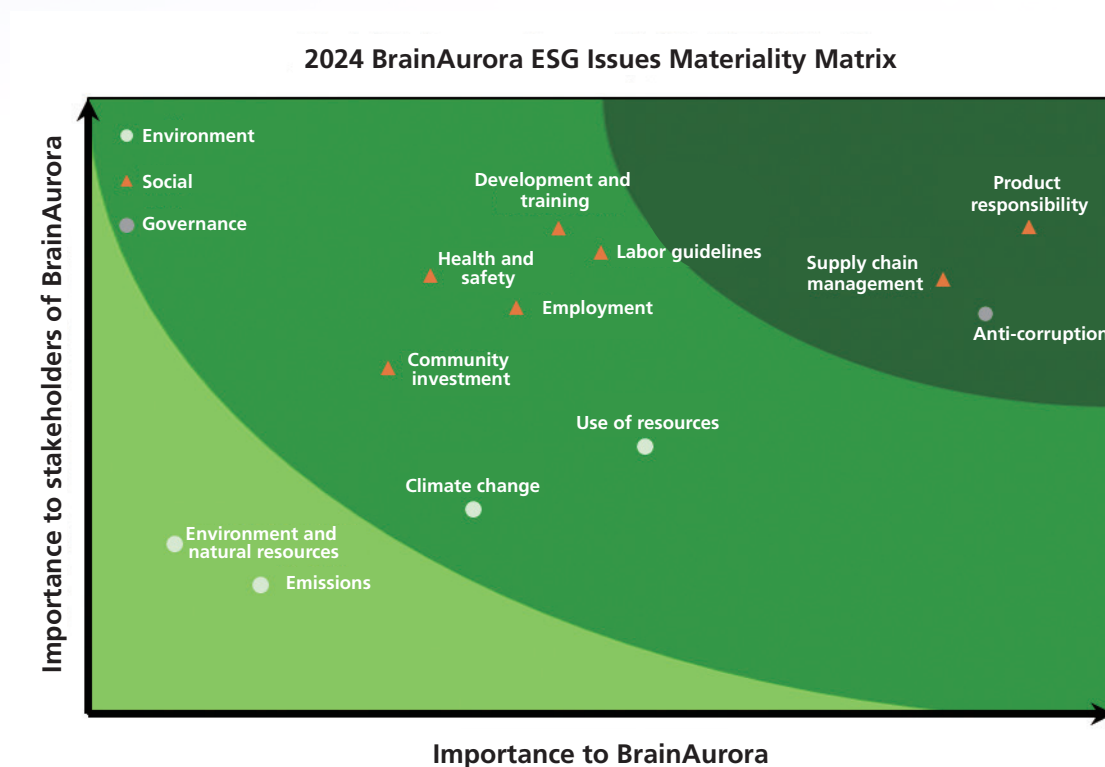
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder groups	Key communication channels	Key matters of concern
Senior managers	<ul style="list-style-type: none"> • Meetings and talks • Employee activities • Phone/email • Work reports • Questionnaires 	<ul style="list-style-type: none"> • Strategic execution • Financial performance • Operational efficiency • Public relations
Employees	<ul style="list-style-type: none"> • Work meetings • Staff meetings • Performance appraisals • Employee complaint channels • Questionnaires 	<ul style="list-style-type: none"> • Compensation system • Employee rights • Health and safety • Communication mechanism
Community members and public welfare organizations	<ul style="list-style-type: none"> • Public welfare activities • Open days • Questionnaires • Corporate announcements and circulars 	<ul style="list-style-type: none"> • Community investment • Communication mechanism • Compliance with laws and regulations • Industry impact
News media	<ul style="list-style-type: none"> • Performance conferences • News specials • Questionnaires 	<ul style="list-style-type: none"> • Technological innovation • Industry impact • Ecological and environmental protection

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. Analysis of Materiality Issues

In order to identify key areas of corporate environmental, social and governance practices and meet the needs of stakeholders, we conducted questionnaires to understand the suggestions and expectations of stakeholders on the Group's response to environmental, social and governance topics. Based on the results of the questionnaires, we identified 12 ESG-related topics and drew up an analysis matrix of ESG material topics for 2024.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. STABLE AND LONG-TERM DEVELOPMENT BASED ON COMPLIANCE

1. Internal Control Compliance

We adhere to the bottom line of compliance-based operations and regard it as a solid guarantee for stable and long-term development. We strictly abide by relevant laws and regulations, including but not limited to the Company Law of PRC (《中華人民共和國公司法》), the Cayman Companies Act, the Securities Law of the People's Republic of China and the Listing Rules. In order to strengthen the management of internal control compliance, we have formulated internal systems such as the Risk Compliance System, the Code of Compliance Conducts, and the Evaluation Manual for Risk Assessment and Internal Control Compliance to implement the internal control concept of "management systematization, system processization, and process informatization", and built a strict, standardized, comprehensive and effective internal control system oriented to risk management and focusing on compliance management, forming a risk prevention and control mechanism that covers all aspects, involves all employees, runs through the entire process and involves the entire system. Besides, we are committed to achieving the management and control goals of "strengthening internal control, promoting compliance, and preventing risks", providing a solid guarantee for the Company's high-quality development.

We continue to improve the risk management system, formulate risk management system, and adopt a risk management model that combines classification management with the "three lines of defense". Besides, we implement differentiated management and control measures for the compliance risks of different business aspects in combination with industry development trends and the Company's actual business, identify and manage related risks, and specify in detail the procedures for preventing, controlling and mitigating risk events before, during and after the events; at the same time, we have also built an internal control "three lines of defense" consisting of the management department, lead management department and audit supervision department. Each department has a clear division of work and cooperates with each other to form a joint force for risk prevention and control. The Company's risk assessment and monitoring process are as follows:

Risk identification and information collection

- Each department collects risk information, covering strategic risk, market risk, financial risk, operational risk, legal and compliance risk, etc., and summarizes, analyzes and dynamically manages the collected risk information;

Risk assessment and classification

- The Company implements classification management on risks, establishes a systematic risk list, and dynamically adjusts it according to changes in internal and external situations and the results of risk identification and analysis;
- The Company conducts risk assessment at least once a year, which assesses risks from multiple dimensions based on standards and appetites, determines four levels of major risk, important risk, medium risk and low risk, and forms an annual risk assessment report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Formulation of risk management strategy

- Focusing on the Company's development strategy and business objectives, and based on its own conditions, business characteristics and external environment, determine the risk management strategy, clarify risk appetites and tolerance;
- According to the risk management strategy, formulate risk management solutions for various risks, including specific risk resolution goals, involved processes, required resources, and response measures taken before, during and after risk events.

Risk monitoring and early warning

- Establish and improve the risk monitoring indicator system, carry out risk quantification work in key areas, improve the early warning mechanism, realize real-time monitoring and early warning;
- Relevant departments are responsible for the design, monitoring and reporting of indicators in their fields, and the lead department is responsible for overall monitoring, summary analysis, notification and reminder, and supervising the implementation of the plan.

We have developed comprehensive audit management policies and procedures to ensure that the Company's operating records are reliable and accurate. We regularly conduct on-site internal audits to monitor the implementation of internal control policies, report to the management and the audit committee, and follow up on the recommended corrective measures. In addition, we continue to improve the existing compliance management system, and actively carry out compliance awareness training for employees to popularize and enhance compliance management awareness, so that every employee can internalize compliance requirements into their own codes of conduct.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Business Ethics and Anti-Corruption

We adhere to the business principle of integrity and strictly abide by the Law of the People's Republic of China on Anti-money Laundering, the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and other laws and regulations. We have also formulated strict and comprehensive internal policies, issued management policies such as the Anti-Corruption and Anti-Commercial Bribery System, the Anti-Fraud Policy and the Anti-Money Laundering Policy, and clarified the supervision mechanism and responsibilities for anti-fraud work. We require all employees to abide by the code of professional conducts, prohibit bribery, corruption and other non-compliant activities in the course of operations and management, and have a zero-tolerance attitude towards any form of illegal and non-compliant behaviors.

We implement a commitment system for preventing commercial bribery in important positions and processes, and require all staff in important positions and processes to sign the Anti-Corruption and Anti-Commercial Bribery Commitment. In addition, the Company regularly conducts compliance training and annual ethics training to strengthen integrity publicity and education, and continue to deepen the construction of compliance culture. During the year, we organised one anti-corruption training session for all members of the Board and employees.

We have also opened an internal reporting and escalation mechanism, and established a mailbox for filing related complaints or whistleblowing reports, so as to encourage employees to report any actual or suspected fraud cases, information that violates professional ethics, and other suspicious activities. At the same time, we have put in place whistleblower protection mechanism to strictly keep the name, department, company and other information of the whistleblower confidential throughout the entire process of reporting acceptance and investigation, and it is strictly forbidden to disclose it to the involved party or related units. Any form of retaliation is strictly prohibited. The Company will severely punish any violation of confidentiality regulations, disclosure of whistleblower information, or retaliation against the whistleblower. For serious cases that constitute a crime, we will transfer them to judicial authorities for criminal prosecution in accordance with the law to effectively protect the legitimate rights and interests of the whistleblower.

Email for whistleblowing reports: brainau.rrg@66nao.com

During this year, BrainAurora has not received any concluded corruption cases, nor has there been any litigation cases involving embezzlement, bribery, or fraud.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

II. HEART AND BRAIN PROTECTION WITH QUALITY FIRST

1. Product Quality and Safety

(1) Quality Management System

We are well aware that an excellent quality management system is the fundamental guarantee for becoming a world-leading cognitive impairment digital therapeutics technology company. In accordance with laws, regulations and industry standards such as the Product Quality Law of the PRC (《中華人民共和國產品質量法》), the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), and the Guiding Principles for the Classification of AI-based Medical Software Products (《人工智能醫用軟件產品分類界定指導原則》), and according to the NMPA regulations, the ISO 13485 international standard and the Good Manufacturing Practices (GMP), we have formulated strict internal specifications for product design and development to ensure compliance and controllability of the entire process. We have established a comprehensive quality management system that strictly regulates all aspects from research and development to the transformation of results, including the standardized management of key elements such as personnel qualifications, facilities and equipment, and documentation.

Our quality management system runs through the entire product lifecycle, and ensures research and development compliance and product quality reliability through a systematic control mechanism. During the product design and development stage, we established three core control systems, and professional third-party organizations independently evaluated and supervised the implementation of the systems.

Design and development control system	Configuration management control system	Risk management control system
Strictly regulate the entire process of R&D activities from demand analysis to product delivery, and ensure that each development stage complies with established standards and specifications;	Maintain the consistency and integrity of each component of the product through version control and change management;	Systematically identify, evaluate and control potential risks throughout the product lifecycle, and formulate corresponding risk mitigation measures.

To achieve full-process quality traceability, we have also established traceability control system, software traceability analysis platform and UDI (unique device identification) system to ensure traceability of our product throughout the product lifecycle.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(2) Quality Management Measures

To ensure the quality development of our product, we have established a quality management system that prioritizes scientific validity, patient compliance and R&D efficiency. Before starting with a product development project, we clarify patient's need and product positioning through market research, and form a development proposal that describes the target medical need, potential risks and specific product functions. After obtaining approvals from our management, we will then formulate a detailed development plan. Specifically, we focus on the three key phases of our R&D process:

- **Basic research phase:** Led by the Brain Research Institute, an internal group of talents within our R&D team, in-depth research is carried out based on existing scientific theories and clinical data. Through systematic scientific demonstration and team discussion, the core design parameters of the product are established to ensure its scientificity and effectiveness;
- **Product planning phase:** The Product Innovation Center is responsible for product design based on the scientific framework and the research results of the Brain Research Institute, and incorporating fun elements such as games to enhance user experience and product attractiveness;
- **Development and testing phase:** The Technology Research Center is responsible for building an internal beta version of the product based on the designs for testing, and collecting feedback data through user testing and questionnaires to evaluate whether our products are complete, interesting and effective in stimulating the appropriate brain function, and optimizing and adjusting accordingly until the ideal effect is achieved.

To ensure the strict implementation of the product quality management system, we require all R&D personnel to participate in quality management training regularly, and include other key departments of the Company, such as quality control, human resources and marketing teams, in the training scope. At the same time, we have established a complete emergency response mechanism for quality incidents to ensure that product recall procedures can be initiated in a timely manner when necessary. So far, no adverse quality events requiring recall have occurred.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(3) Quality Management of Clinical Trials

In the process of medical device R&D, strict clinical trial quality management is the fundamental guarantee for product safety and effectiveness. In terms of clinical research quality management, we strictly abide by the Good Clinical Trial Practice for Medical Device (《醫療器械臨床試驗質量管理規範》), establish a complete full-process quality control system, and form a professional regulatory and clinical affairs team composed of senior medical device experts to work under the leadership of the Chief Executive Officer.

Clinical Trial Management System

We conduct clinical trials to measure the clinical safety and efficacy of a medical device. Primary parameters for clinical trials are selected based on the intended use of the medical device to ensure that the trial design is scientific and reasonable and to achieve a comprehensive evaluation of product performance.

When conducting product clinical trials, we strictly follow the relevant regulations of the NMPA and select top hospitals with professional qualifications and advanced equipment from the list of officially registered clinical trial institutions as partners. At the same time, to ensure the quality of the trials, we also cooperate with contract research organizations (CRO) with excellent qualifications and outstanding industry reputation, focusing on key factors such as their professional qualifications, academic background of team and project experience. Through a rigorous partner selection mechanism, we ensure that we are standardized and data-reliable during the clinical trial process, providing strong support for product registration. In addition, we regularly conduct clinical and medical device regulatory system training every year to provide a solid foundation for ensuring the quality of medical device clinical trials.

Quality Standards and Practices

We strictly follow the internationally accepted Good Clinical Practice (GCP) to ensure that every step from trial design to final report meets the highest quality standards. We pay special attention to the scientific rigorousness of the trial protocols, the comprehensive protection of the rights and interests of participants, the accuracy and completeness of the clinical data, and the traceability of the entire trial process. We apply this set of standards throughout all key steps such as protocol design, execution monitoring, data collection and result analysis to form a complete and closed loop of quality management.

Regulatory Approval and Continuing Improvement

The Company conducts clinical trials on new indications and products to obtain necessary regulatory approvals, and continuously improves product design and functions through clinical trial data to ensure that the products meet regulatory requirements. At the same time, we also continuously improve the design and functions of the products to improve product performance and user experience, and further enhance the market competitiveness of the products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Improving Customer Service Quality

(1) Focusing on Patient Experience

Service Quality Control

We have established a three-dimensional service system comprising “system guarantee – process coordination – technical support” and have reconstructed the full-link service experience this year to comprehensively improve the quality of healthcare services.

➤ **System Guarantee**

We strictly abide by the Law of the PRC on the Protection of the Rights and Interests of Consumers and the Regulations on the Prevention and Handling of Medical Disputes, and embed compliance requirements into the service process. In terms of institutional standardization, the Company has issued internal systems such as the Multi-touchpoint Service Quality Management Specification 2.0 and the Graded Response System for Home Patients' Demands, which clarify the standards for collaborative service scenarios inside and outside hospitals, covering 9 types of service scenarios such as in-hospital doctor-patient communication, home cognitive training support, and remote follow-up, and set 15 service red lines, including key compliance requirements such as privacy protection and informed consent, to ensure the standardization and normalization of services. In addition, we have also established a three-level response mechanism, corresponding to response times of 2 hours, 24 hours and 72 hours respectively, and giving priority to handling high-risk problems such as abnormal cognitive training data and equipment failures, to ensure that patients' demands are handled promptly and effectively.

➤ **Process Coordination**

With telephone hotlines and WeChat as the core channels, we provide patients with 7×12h manual customer service, and we are equipped with an intelligent voice diversion system to improve service efficiency. At the same time, the Company implements the responsible person system, requiring the responsible person of home patients to follow up on complaints throughout the process until the problems are resolved, and adopts the mechanism of complaint settlement countdown to ensure the timeliness and effectiveness of complaint handling.

➤ **Technical Support**

Based on the JTBD (Jobs To Be Done) theory, we disassemble the journey of home patients, establish a standard operating process for four-step service, and achieve precise control of the response time of each step. At the same time, we introduce the exclusive service standards for the medical industry and set 7 key service touchpoints based on the characteristics of cognitive training products, such as home equipment debugging guidance and training data abnormality warning, to ensure the accuracy and effectiveness of the service. In addition, the Company has established a multi-dimensional knowledge base covering FAQs, equipment operation guides and training methods, etc., to improve the response efficiency of customer service personnel and shorten the handling time of services and disputes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Improving Service Satisfaction

In order to more comprehensively understand patient needs and improve service experience, we have built a three-dimensional survey matrix for service satisfaction. Through active follow-up, family collaborative evaluation and phased scale evaluation, we pay attention to the patient training interruption rate, collect family feedback on the patients' living ability, conduct standardized evaluation at the initial stage of training and the key points of phases, and scientifically monitor the patients' cognitive ability changes to ensure the comprehensiveness and objectivity of the evaluation.

In response to the problems found in the survey, the Company continues to optimize the feedback channels, and improve survey efficiency and coverage. By upgrading the cognitive training emotion adaptation system, we reduce patients' training frustration, thereby improving the compliance with home training. In order to further improve service quality, we have established a home user operation center, which is responsible for regular follow-up and FAQs, and deeply understanding patients' demands and problems during training. We also prepare follow-up summary reports on a weekly, monthly and annual basis to promote continuing improvement of service processes and content.

We conduct online and offline training and regular assessments for the home operation teams and the collaborating hospital teams to ensure unified service standards, and continuously improve the teams' professional capabilities, effectively improving the satisfaction and training results of patients. In 2024, we received a total of 2 complaints from home patients, and both the complaint response rate and settlement rate reached 100%.

(2) Protection of Rights and Interests of Subjects

During the clinical trial process, the Company always puts the protection of rights and interests of subjects first and has established a complete data security management system. We have formulated strict confidentiality and privacy policies to regulate the entire process of collecting, analyzing, storing and transmitting subject data and clinical trial results. We prepare and review study protocols to ensure compliance with GCP requirements, including confidentiality and privacy requirements. At the same time, we monitor project progress continuously against the guidelines of ICH GCP and China GCP and make corrections as needed, to ensure the compliance of the trials and the reliability of the data.

The Company has established a complete personal information protection mechanism to fully protect the rights of information subjects in data processing activities. We publish the contact information of the person responsible for personal information protection in our Privacy Policy to promptly respond to inquiries and requests from subjects or medical institutions, assisting data processors in efficiently resolving related issues. Through multi-level system design and technical safeguards, we are committed to providing subjects with a safe and transparent clinical trial environment and effectively safeguarding their legitimate rights and interests.

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(3) Strengthening Data Security

Data security is the basic guarantee for our business operations. We strictly abide by the laws and regulations such as the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the Data Security Law of the PRC (《中華人民共和國數據安全法》), and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), and formulate internal systems such as the Information Security Management System, the Data Security Management System, and the User Personal Information Security Management System.

Multi-level Data Protection System

In order to ensure the security of patient data, user information, research data and system data, we have established a Cybersecurity and Data Compliance Committee to comprehensively coordinate data privacy protection work. The Committee has a professional information technology department responsible for carrying out the daily tasks related to cybersecurity, data security and personal information protection.

Technical Measures for Data Security

We have deployed professional tools such as the cloud server security systems, web application firewalls and terminal security system, and taken data security measures such as data encryption transmission, network isolation, classification, backup, encryption, identity authentication, access control and log auditing. We have deployed professional antivirus software in offices, build a multi-firewall system, and implement encrypted storage and independent backup for core data. At the same time, we use dedicated workstations with password protection for data processing, and regularly generate physical backups with offline storage. By combining physical isolation with electronic protection, we fully guarantee the safe operation of information systems in the physical environment and cyberspace. Our security network has passed Level III certification in China, as well as the international certifications such as ISO 27001 Information Security Management, ISO 27701 Privacy Information Management and ISO 20000 IT Service Management.



International certifications obtained

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During this year, we have continued to strengthen our information security protection system. We regularly conduct penetration testing to examine the security of our systems and have engaged third-party professional security agencies to perform in-depth penetration tests and comprehensive risk assessments, covering all of the company's business systems and network infrastructure. At the same time, we regularly organize internal emergency drills. By simulating real attack scenarios, we continuously enhance the emergency response capabilities and collaborative combat effectiveness of our security team, effectively ensuring the secure and stable operation of our information systems.

Personal Information Security Management

We strictly follow the "minimum and necessary" principle, only collect patient personal information required for business functions, and obtain user consent in advance through a clear and transparent privacy policy. All data are subject to strict access control, and users have the full right to query, correct and delete personal information and withdraw consent. We do not disclose personal biometric information, race, ethnicity, political opinions, religious beliefs, or other sensitive personal data analysis results.

We are entrusted by medical and research institutions to process sensitive data including the patients' and medical professionals' identity, education background and medical records. To fully safeguard the users' right to be informed, we clearly communicate the rules for information processing through privacy policies and real-time notification terms on our pages, and obtain users' consent through the initial privacy pop-up window. As for clinical trial scenarios, we have formulated the Key Points for Auditing Data Compliance of Informed Consent Form for Clinical Trials and, based on it, reviewed the informed consent form template provided by the research institution to ensure that the subjects fully understand the content and rights of the trials.

(4) Accountable Marketing

In strict accordance with the relevant requirements of laws and regulations such as the Advertisement Law of the People's Republic of China, the Medical Advertising Management Measures, and the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), we have formulated our Marketing Full Cycle Management Specification 1.0 to standardize the publicity of each marketing aspect and provide guidance, especially focusing on the authenticity and accuracy of the publicity content, and eliminating any behavior that exaggerates the efficacy. At the same time, we have also formulated the Marketing Specification and Quality Inspection Manual for Home Patients to improve and optimize the relevant execution processes and communication skills, and comprehensively enhance the ability of marketing personnel to deal with emergencies. In 2024, all our marketing activities strictly complied with laws and regulations, and no violations have occurred.

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3. R&D and Innovation

(1) Science and Technology Innovation

We are committed to promoting the development of cognitive impairment DTx with cutting-edge digital technologies. By integrating artificial intelligence (AI), virtual reality (VR) and other innovation technologies, we have developed a series of personalized assessment and intervention solutions with clinical value and we have many innovative DTx products in several fields including mental health, children's health and elderly health, such as 66nao® cognitive DTx (cognitive training), VR eye movement cognitive assessment, AI scale and soul island Aurora. AI technology helps us deeply analyze patient data and provide precise personalized treatment plans. VR technology creates an immersive training environment for patients, thereby effectively improving treatment compliance and effectiveness conversion, significantly improving the treatment effects for patients with cognitive impairments, and building a new path for the development of DTx. In addition, we have successfully and deeply integrated the virtual human and the AI technology into the product system, which realizes intelligent upgrades of doctor-patient interaction, and ensures efficient assessment of large number of patients by doctors. Its core technologies include functional modules such as voice recognition and error correction, intent recognition and automatic assessment analysis.

We have continued to increase our R&D investment to focus on breaking through key technologies in the field of cognitive impairment assessment and intervention. We have established a professional R&D team and improved the technical infrastructures to keep up with the latest technological trends in the industry. We have organized a multidisciplinary professional R&D team with 131 members, including 27 members with master's degrees and 3 members with doctorate degrees.

Case: BrainAurora led the AI+health project in Beijing for innovative driving of development of DTx for childhood cognitive impairment diseases

In December 2024, as a leading institution, BrainAurora participated in "R&D and Demonstration Application Projects for Cognitive Impairment DTx Products" among AI+ health collaborative innovation cultivation projects of the Beijing Municipal Commission of Science and Technology. This project focuses on R&D and application of DTx for neurodevelopment diseases in children, develops a digital assessment and intervention system for neurodevelopmental diseases in children, examines pediatric patients in a relaxed environment with innovative digital testing tools and cognitive intervention training systems by combining game elements, and improves cognitive functions by DTx. This system also has high compatibility and can be seamlessly connected with other treatment methods, such as electrical stimulation and sleep therapy to form comprehensive, integrated and efficient treatment plans. With the deepening implementation of this project and relying on the strong driving force of technological innovation, we accelerate the progress and popularization of DTx and inject more vitality and contributions into the cause of children's health and even the broader medical field.

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Case: DTx empowered orthopedic rehabilitation and realized new breakthroughs in the synchronous treatment of body and mind

In November 2024, BrainAurora cooperated with Beijing Jishuitan Hospital to start an orthopedic DTx R&D cooperation project which pioneered the introduction of digital cognitive therapy into perioperative management in orthopedics. This project is not only committed to improving the cognitive functions and psychological state of orthopedic patients, but also promoting the upgrading of ERAS¹ concept to ERAS PLUS. By developing five DTx medical devices, BrainAurora extends digital diagnosis and treatment technologies from top-tier hospitals to primary-level medical institutions. This interdisciplinary cooperation not only expands the application scenarios of DTx, but also achieves a deep integration of technological innovation and clinical needs, providing an innovative solution for the synchronous physical and mental rehabilitation of patients.

Case: BrainAurora deeply participated in the study of the dose-response relationship of cognitive DTx to fill the international gap

The R&D team of BrainAurora collaborated with professors from the Capital Medical University and Peking University to publish the world's first research achievement on the dose-response relationship of computerized cognitive training (CCT) in the Nature sub – journal npj Digital Medicine. In this study, the training data of 8,709 subjects were sliced and analyzed in an innovative way. For the first time, this study systematically revealed the law of change of cognitive training response with the dose. This provides solid evidence-based medical support for optimizing the clinical applications and personalized dose selection and also creates a new research paradigm for dose-response research in the field of non-drug interventions, greatly broadening the perspective for assessing the effect of non-drug treatment methods.

(2) Industry Empowerment

As an innovative leader in the field of cognitive impairment DTx, BrainAurora has always been actively involved in the construction of the industry ecosystem, promoting the innovative development of the industry through academic exchanges, technology demonstrations and clinical cooperation. As the first organizer of cognitive impairment projects of the National Health Commission of the People's Republic of China, we have assisted over 120 hospitals nationwide in successfully establishing cognitive centers, including several leading hospitals certified by the National Health Commission as "National Medical Centers" in the medical field, driving the development of the cognitive impairment DTx market in China.

¹ ERAS: Enhanced Recovery After Surgery. It is a concept that, based on evidence-based medical evidence, optimizes the clinical pathway of perioperative management through multidisciplinary collaboration (including surgery, anesthesia, nursing, nutrition, etc.).

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Case: BrainAurora attended the 2024 Beijing Medical Association Academic Annual Conference

In July 2024, BrainAurora attended the academic annual conference hosted by the Beijing Branch of the Chinese Medical Association and showed its independently researched depression DTx product "Soul Island Aurora" to top domestic psychiatric experts. This domestically first-invented product integrates game interaction with cognitive behavioral therapy in an innovative manner. Its game design enhances the patient treatment experience. This product not only promotes the innovative application of DTx in the field of mental health, but also provides a highly accessible and compliant new solution for the treatment of depression, effectively promoting the transformation of scientific research achievements into clinical applications.



Soul Island Aurora

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Case: BrainAurora shined in “New Investment Summit Forum of Life Sciences” and won Global Cognitive Impairment DTx Innovation Award (全球認知障礙數字療法創新獎)

In August 2024, BrainAurora attended the 18th Frost & Sullivan China Growth, Innovation and Leadership Summit and the 3rd new investment conference. This activity gathered many industry elites, focused on global innovation trends, and explored the internationalization strategies of Chinese life science enterprises. At the conference, BrainAurora shared its innovative achievements in the field of diagnosis and treatment of cognitive impairment, i.e. by leveraging clinical data, data analysis technologies and AI algorithms, BrainAurora built an accurate and efficient digital diagnosis and treatment platform to enhance the effectiveness of diagnosis and treatment. With this innovative achievement, BrainAurora won the Global Cognitive Impairment DTx Innovation Award (全球認知障礙數字療法創新獎), making important contributions to the development of the global diagnosis and treatment field of cognitive impairment.



Attended 2024 Frost & Sullivan New Investment Conference

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Case: BrainAurora successfully held cardiovascular-cognitive impairment DTx forum to promote interdisciplinary diagnosis and treatment innovation

In November 2024, BrainAurora undertook “Clinical Research Forum on Cardiovascular Disease Combined with Cognitive Impairment” at the Great Wall Cardiology Conference. The Company deeply discussed the application value of cognitive DTx in patients with cardiovascular diseases such as atrial fibrillation and coronary heart disease with authoritative experts from renowned cardiovascular specialty hospitals. By showing its innovative research achievements, BrainAurora drove the clinical application of DTx in the interdisciplinary field of cardiovascular combined with cognitive impairment, providing a new idea for making personalized diagnosis and treatment plans and promoting the multidisciplinary exchange and cooperation. In addition, the Company pioneered the expansion of application scenarios of DTx in cardiovascular disease management, and contributed innovative solutions for improving the patient prognosis.



The 35th Great Wall Cardiology Conference “Clinical Research Forum on Cardiovascular Disease Combined with Cognitive Impairment”

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(3) Intellectual Property Protection

We attach great importance to intellectual property protection and trademark management. In strict accordance with the Patent Law of the PRC (《中華人民共和國專利法》), the World Intellectual Property Organization Convention, the Trademark Law of the PRC (《中華人民共和國商標法》) and other relevant laws and regulations, we have formulated the Intellectual Property Management System and other internal management systems of the Company, and hired professional intellectual property agencies to provide legal support to ensure that various research and development results are effectively protected.

In order to effectively avoid the risk of patent infringement, the Company has established a complete patent management system. Before applying for a patent, we conduct a comprehensive infringement risk analysis and achieve full process control from application submission, internal review to final approval through standardized process management. On the other hand, the Company has established a reward mechanism to fully stimulate the innovative vitality of employees. In addition, the Company has established an intellectual property database, updated data daily, and developed an automated intellectual property billboard to significantly improve patent search efficiency and management level. We also organize regular training for employees on intellectual property protection to enhance their awareness of protecting their own intellectual property and avoiding infringement of others' intellectual property throughout the research and development process.

In terms of trademark management, the Company has established a strict trademark management system, requiring relevant personnel to continuously follow up on the latest regulatory updates to ensure that the entire process of trademark registration, use and management complies with the requirements of current laws and regulations.

By the end of 2024, the Company has obtained 65 licensed patents, including 64 Chinese patents and 1 U.S. patent. In terms of trademarks, we have registered 178 trademarks. In terms of software, we have registered 78 software copyrights. In 2024, the Company has no intellectual property lawsuits.

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III. GUARDING GREEN DEVELOPMENT AND FULFILLING SOCIAL RESPONSIBILITIES

1. Strengthening Emission Control

BrainAurora strictly follows the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations to strictly prevent the emissions generated by the Company from polluting environment. In addition, BrainAurora requires all departments to strictly control environmental risks, and makes efforts to reduce the impact of operational processes on the ecological environment and natural resources.

As a company dedicated to digital healthcare solutions, BrainAurora takes R&D as core of business modes. Its daily operation activities do not involve the physical production and manufacturing processes, and therefore only generate limited impacts on the environment caused by the emissions of waste gases and greenhouse gases, the discharges of pollutants into water and land, as well as the generation of hazardous or non-hazardous wastes. The non-hazardous wastes generated by the Company mainly include office wastes, office consumables wastes, etc. The hazardous wastes generated by the Company mainly include abandoned toner cartridges of office printing equipment.

Non-hazardous Wastes

We integrate the concept of sustainable development into our daily operational management and fulfill our corporate environmental responsibilities by implementing environmental management measures. In terms of green office practices, we prioritize the use of heavy metal free battery products that meet international environmental standards (free of hazardous substances such as cadmium, mercury, lead, etc.), and carry out standardized disposal in accordance with compliance requirements. Besides, through actively responding to the national call of garbage classification policy, we have placed the classification garbage bins in the office area to standardize garbage classification, and continuously enhanced the awareness and participation of all employees in garbage classification through environmental publicity activities in various forms and channels. All classified domestic wastes and office wastes are uniformly transported by professional property companies to designated recycling sites, and scrapped electronic equipment wastes are collected by electronic equipment suppliers for compliant disposal.

Hazardous Wastes

For hazardous waste such as printer toner cartridges and ink cartridges, we entrust them to qualified professional third-party partners for recycling or disposal.

Waste Water

The Company's waste water is mainly the sewage generated in daily office work. In accordance with national or local sewage discharge requirements, the waste water is centrally conveyed by the urban sewer network system to the sewage treatment plant for treatment before being discharged.

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2. Optimizing the Resource Utilization

BrainAurora strictly follows the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》) and other laws and regulations, and formulates the Management Measures for Administrative Cost Reduction Control (《行政降本控制管理辦法》). By taking energy-saving and consumption reducing measures, we continuously optimize resource allocation methods, effectively improve resource utilization efficiency, and create a sustainable operating model.

Saving Electricity

We encourage the prior use of natural light in the office and replace high-energy-consuming lamps with energy-saving lamps. We advocate employees to turn off lights, air conditioners, computers and display screens in meeting rooms in a timely manner after getting off work or at the end of a meeting. We also encourage them to pay attention to the usage of lights and electrical appliances in various areas and turn off electronic devices that are not in use in a timely manner to reduce unnecessary electricity consumption. We have established a responsibility system for saving electricity. During working hours, the users of equipment, the administrative department, and the meeting initiators are respectively responsible for the electricity management of the corresponding areas. In non-working hours, we take the "final leave inspection system", and establish a corresponding accountability mechanism. These measures effectively enhance the awareness of saving electricity among all employees and ensure that the energy-saving measures are fully taken.

We set the proper indoor air-conditioning temperature to effectively reduce electricity consumption. We implement a tiered temperature control system: in summer, the cooling function is activated only when the indoor temperature exceeds 26°C and the temperature is set no lower than 24°C; in winter, the heating function is activated when the temperature falls below 18°C and the temperature is set no higher than 20°C. The Company arranges professional cleaning and maintenance of air conditioner filters annually to ensure the equipment runs efficiently. We also require that doors and windows be closed while the air conditioners are in use to eliminate energy waste.

Saving Water

Our primary source of water is purchased municipal water and we did not experience any problem in obtaining suitable water sources during the year. In terms of daily water usage, we focus on cultivating employees' awareness of saving water in their daily lives. We require employees to develop the habit of saving water, i.e. controlling the water flow when washing hands or cleaning, and turning off the water source promptly after use. In terms of hardware facilities, we use water-saving faucets to reduce water consumption. In addition, we have established a repair reporting mechanism. After detecting any abnormal situation, we notify the property personnel immediately to repair the leaking water pipes and faucets, thus avoiding the waste of water resources. Furthermore, we have also posted water-saving signs in the office areas for reminding, ensuring integration of the concept of saving water in our daily work.

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Green Office

The Company comprehensively promotes paperless office work. We require that electronic files have a priority. When printing is absolutely necessary, the documents shall be printed on double sides and be carefully proofread in advance. In terms of office supplies management, the Company implements the system of "exchanging old for new and receiving on demand", and establishes a complete use ledger. New employees can apply for stationery as needed and return any remaining items upon resignation. The Company requires employees to properly store office supplies. The Company strictly controls the use of disposable items. Employees are required to bring their own water bottles and tableware, and are advocated to save consumables such as toilet paper.

In the year, BrainAurora, based on its own actual situation, set an environmental goal in four aspects: carbon emission management, waste management, energy management, and water resource management. We will check the goal every year to continuously promote the implementation of energy-saving and emission reduction measures.

Goal type	Goal content
Carbon reduction	Reduce total greenhouse gas emissions by 1% in 2025 compared with that in 2024
Waste reduction	From 2025 onwards, implement waste separation in all office areas of BrainAurora every year; realise 100% safe treatment of e-waste generated in all office area
Energy management	Reduce per-capita electricity consumption by 5% by 2026 compared with that in 2024.
Water resource	Reduce per-capita water consumption by 5% by 2026 compared with that in 2024.

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3. Addressing Climate Change

We regard climate change as an important part of corporate governance. With reference to the framework recommendations of the Task Force for Climate-related Financial Disclosure (TCFD), we proactively identify climate change risks and opportunities, assess the impact of climate-related physical risks and transition risks on our business development, and actively formulate response strategies to avoid the impact of climate change on business operations, while exploring new development opportunities.

Our climate-related risks, opportunities and countermeasures:

Transition risks:

Sources of impact	Impact description	Countermeasures
Policies and laws	<ul style="list-style-type: none"> The government and regulatory authorities may implement more stringent environmental laws, regulations and policies in the future, which may increase the Company's environmental compliance costs. 	<ul style="list-style-type: none"> Identify the sources of carbon emissions during operations and ensure the accuracy and timeliness of carbon emission data; Take climate change as an important topic, actively communicate with shareholders, and provide relevant training for all employees.
Technical risks	<ul style="list-style-type: none"> The task of energy saving and consumption reduction in low-carbon transition is arduous, and the overall energy efficiency level needs to be improved, which increases the Company's transition costs. 	<ul style="list-style-type: none"> Accelerate the purchase of more energy-efficient equipment and assets.
Market risks	<ul style="list-style-type: none"> Increasingly stringent environmental protection policies (including waste emission regulations) and rising prices of basic resources (such as energy and water resources) have led to higher overall operating costs for the Company. 	<ul style="list-style-type: none"> Improve energy efficiency by using energy-saving lamps and induction faucets, etc.
Reputation risks	<ul style="list-style-type: none"> With the transition to a low-carbon economy, stakeholders are paying more and more attention to the Company's performance in green and low-carbon development and addressing climate change. If there is a discrepancy in expectations, it may affect the Company's reputation and image. 	<ul style="list-style-type: none"> Accelerate the Company's low-carbon transition; Establish a green and low-carbon corporate image, such as advocating employees to take public transportation for travel, reducing vehicle utilization, etc.; Actively formulate and disclose carbon reduction targets and corresponding emission reduction measures.

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Physical risks:

Sources of impact	Impact description	Countermeasures
Acute risks	<ul style="list-style-type: none"> The frequency of natural disasters such as floods, heavy rains and snow, and typhoons has increased, which may cause disruptions in the medical equipment supply chain and abnormal power supply, affecting patient compliance (power outages make equipment unusable) and causing property losses and other adverse situations, thereby threatening the normal operation of the Company. 	<ul style="list-style-type: none"> Pay close attention to the extreme weather event forecasts provided by the climate department, establish emergency plans, including emergency plans for major disaster weather and medical supplies shortage, etc., and access the National Meteorological Centre API to achieve 72-hour accurate warning; Based on geographic location and health data, dynamically push personalized protection suggestions to patients; Pay close attention to the physical health of employees and develop flexible work methods.
Chronic risks	<ul style="list-style-type: none"> The increase in high temperature weather leads to continuous high temperatures, which may cause physical discomfort to employees and reduce work efficiency; The Company's operating costs increase, such as increased electricity consumption and logistics costs, etc. 	

Opportunities:

Sources of impact	Impact description	Countermeasures
Resource efficiency	<ul style="list-style-type: none"> Reducing the use of energy and water resources can reduce the corporate operating costs of the Group. 	<ul style="list-style-type: none"> Formulate energy-saving and water-saving management methods to increase resource utilization efficiency and reduce operating costs.
Products and services	<ul style="list-style-type: none"> As global climate change intensifies, the symptoms of patients with cognitive impairment may be aggravated; Climate change prompts the medical industry to transform to a low-carbon model and reduce dependence on physical medical resources. 	<ul style="list-style-type: none"> Conduct innovative research, develop intervention options to deal with the aggravation of cognitive symptoms caused by climate change, develop climate-adaptive products, and enhance competitive advantages.
Enterprise adaptability	<ul style="list-style-type: none"> Frequent extreme weather requires the Company to gradually improve its ability to adapt to climate change. 	<ul style="list-style-type: none"> Take measures to improve energy efficiency, select environmentally friendly suppliers, improve the Company's ability to adapt to climate change, and reduce operating costs.

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4. Key Environmental Performance Data

During the reporting period, the key environmental performance data of the Company is shown in the table below. According to the principle of materiality, the scope of key environmental performance indicators covers the Beijing office and Changsha office of the Company.

Emissions

Indicator	Data in 2024	
Greenhouse gases	Total emissions of greenhouse gases² (scope I and II) (carbon dioxide equivalent per ton)	124.84
	Emission density of greenhouse gases (carbon dioxide equivalent per ton/person) ³	0.79
	Direct emissions of greenhouse gases (scope I) (carbon dioxide equivalent per ton)	15.25
	In which: oil consumption of official vehicles	15.25
	Direct emission density of greenhouse gases (scope I) (carbon dioxide equivalent per ton/person)	0.10
	Indirect emissions of greenhouse gases (scope II) (carbon dioxide equivalent per ton)	109.59
	In which: purchased electricity	109.59
	Indirect emission density of greenhouse gases (scope II) (carbon dioxide equivalent per ton/person)	0.69
Waste gas ⁴	Emissions of nitrogen oxides (kg)	60.47
	Emissions of sulfur oxides (kg)	0.10
	Emissions of Particulate matter (kg)	5.79
Waste	Emissions of hazardous waste⁵ (ton)	0.044
	Emissions of per-capita hazardous waste (kg/person)	0.277
	Emissions of non-hazardous waste⁶ (ton)	0.6
	Emissions of per-capita non-hazardous waste (kg/person) ³	3.774

² Greenhouse gases include carbon dioxide, methane, and nitrous oxide, mainly from fuels and purchased electricity. Greenhouse gases are presented in terms of carbon dioxide equivalent and shall be accounted in accordance with China's Average CO2 Emissions Factors from Electricity 2022 (《2022 年全國電力平均二氧化碳排放因子》) released by Ministry of Ecology and Environment of the People's Republic of China and 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《IPCC2006 年國家溫室氣體列表指南 2019 修訂版》) released by Intergovernmental Panel on Climate Change (IPCC).

³ Total number of people involved in emission density of greenhouse gases, direct emission density of greenhouse gases (scope I), indirect emission density of greenhouse gases (scope II), emissions of per-capita hazardous waste and emissions of non-hazardous waste is the number of full-time employees.

⁴ The Company's exhaust emissions come from the operation of official vehicles. Refer to the Guidelines for Reporting Key Environmental Performance Indicators (《環境關鍵績效指標匯報指引》) released by the Hong Kong Stock Exchange for the calculation method.

⁵ The hazardous wastes generated in company operations mainly include discarded toner cartridges and ink cartridges of office printing equipment.

⁶ The non-hazardous wastes generated in company operations mainly include office wastes and office consumables wastes.

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Resource Consumption⁷

Indicators	Data in 2024
Total consumption of comprehensive energy (mWh) ⁸	263.95
Per-capita energy consumption (mWh/person) ⁹	1.66
Direct energy consumption (mWh)	59.72
In which: oil consumption of official vehicles	59.72
Indirect energy consumption (mWh)	204.23
In which: purchased electricity	204.23
Daily water consumption (ton)⁹	2,377
Per-capita daily water consumption (ton/person)	14.95

IV. TALENT ORIENTATION AND VIGOROUS PROGRESS

1. Compliant Employment

The Company strictly follows the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Law of the People's Republic of China on Employment Contracts (《中華人民共和國勞動合同法》) and other laws and regulations and has formulated the Employee Manual (《員工手冊》) to standardize recruitment and resignation, compensation and benefits, working hours, attendance and vacation, equal opportunities, training and development of employees. The Company firmly prohibits the employment of child labor and forced labor. When employees join the Company, the Company conducts strict verification of the identity information of job applicants to prevent such phenomena from occurring. In the event of any violation of regulations, the Company will seriously investigate for liability in accordance with relevant laws and regulations and take corresponding punishment measures. In 2024, the Company had no incidents of employing child labor or forced labor.

We are committed to creating an equal and diverse workplace environment, and treating every employee and job seeker fairly. We eliminate any form of discrimination and ensure that factors such as gender, age, race, religion, disability, etc. do not affect the employment and development of job seekers.

⁷ The daily operation activities of the Company do not involve the production and manufacturing process, so the packaging data is not applicable to the Company.

⁸ The total energy consumption is calculated based on electricity consumption and regarding conversion factors in the National Standard of the People's Republic of China General Rules for Calculation of the Comprehensive Energy Consumption (《綜合能耗計算通則》) (GB/T 2589-2020).

⁹ Total number of people involved in per-capita energy consumption and per-capita daily water consumption of the Company is the number of full-time employees.

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As of the end of 2024, BrainAurora had a total of 181 employees, with female employees accounting for 47.51%. The employees divided by gender, employment type, age, and region are as follows:

Indicator	Data in 2024 (person)
By gender	
Male	95
Female	86
By employment type	
Full time	159
Part time	11
Interns	11
By age	
Aged 30 and below	60
Aged 31-50	120
Aged above 50	1
By region	
Mainland China	181
Hong Kong, Macao and Taiwan	0

The employee turnover rate¹⁰ divided by gender, age and region is as follows:

Indicator	Data in 2024 (%)
By gender	
Male	5.64
Female	6.67
By age	
Aged 30 and below	2.05
Aged 31-50	10.26
Aged above 50	0
By region	
Mainland China	12.31
Hong Kong, Macao and Taiwan	0

¹⁰ The data statistics scope of employee turnover rate is full-time employees, excluding part-time employees.

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2. Compensation and Benefits

BrainAurora follows the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) and other laws and regulations, has established a standardized compensation management system and implements a compensation and benefit system with market competitiveness.

The Company pays five types of social insurance premiums and provident funds for employees, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance according to laws. The Company pays attention to employees' balance between work and living and implements flexible attendance and compensatory leave system. In addition, the Company organizes activities such as team building, provides birthday benefits and afternoon tea for employees, and distributes company gifts on the Mid-Autumn Festival, Dragon Boat Festival, Spring Festival and other festivals, creating a relaxing and joyful environment for employees in idle hours. The Company provides tailor-made benefits for female employees on International Working Women's Day to continuously create a more friendly working environment.



Christmas gifts

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. Health and Safety

The Company follows the Law of the People's Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and other laws and regulations and continuously improves employee occupational health and safety management, providing employees with a healthy and safe working environment free from any occupational hazards. In 2024, the Company had no employee injuries or deaths due to work-related reasons, and there were no incidents of employee deaths due to work-related reasons in the past three years.

The Company conducts physical examinations for new employees to ensure that their physical condition meets the job requirements. In addition, the Company organizes annual physical examinations for employees to comprehensively know their health status. In May 2024, the Company conducted an annual physical examination for all 156 employees.

4. Development and Training

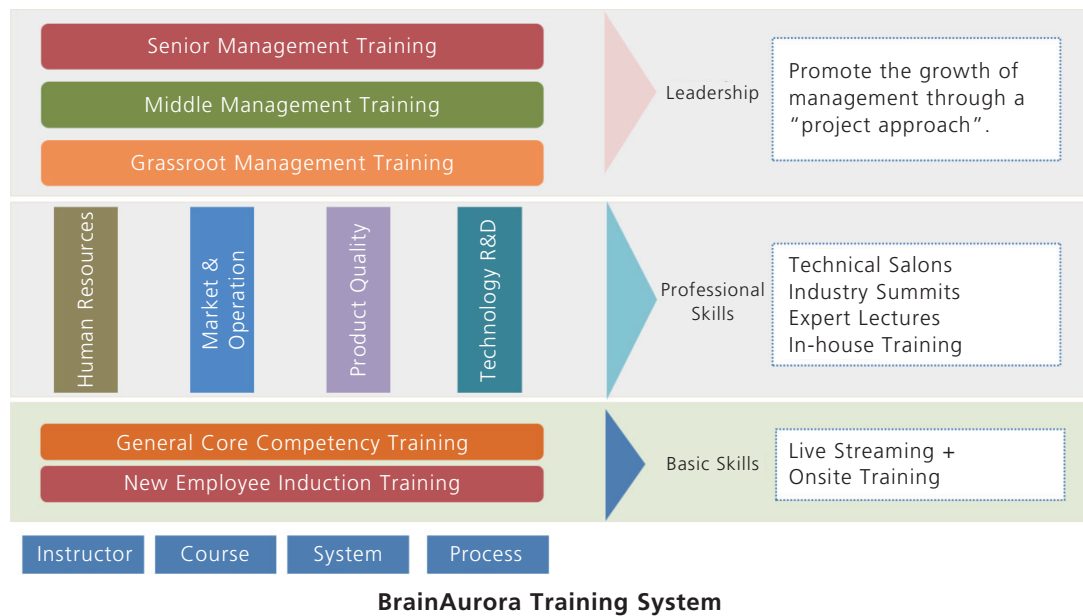
BrainAurora has established a scientific and perfect employee career development system to provide employees with a clear growth path through a combination of system regulation and cultivation mechanism. Considering the different professional advantages and position characteristics of employees, we provide employees with promotion channels and opportunities. By formulating the Employee Career Development and Position Rank Management System (《員工職業發展和職位職級管理制度》), we systematically establish three major career development channels of management sequence, technical sequence, and scientific research sequence, and clearly define the promotion assessment standards, posting requirements, and evaluation process of each channel, so as to ensure that employees with different professional specialties can find the suitable development paths, thus promoting the rapid growth of talents.

In terms of talent cultivation, we provide a mentorship system for new employees to help them quickly integrate into the team in a mentor-apprentice manner. For high potential talents, we introduce a scientific talent identification tool and train them in a targeted combination of training + practice to accelerate their ability improvement. The Company also adopts a scientific and reasonable performance management system, and takes performance assessment results as an important basis for employee promotion, salary adjustment, and bonus distribution, to stimulate employees' enthusiasm and creativity in their work.

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BrainAurora continues to optimize and improve its employee training system. Through the three modules of leadership training, professional skill training and basic skill training, the system covers leadership development from senior to grassroots management, professional skill enhancement in key functional areas such as human resources, market operation, product quality and technology R&D, as well as the cultivation of basic skills such as general core competencies and new employee induction training. The training is provided in a variety of flexible forms, including live streaming, on-site training, technical salons, industry summits, expert lectures and in-house training, etc., to ensure the coverage and effectiveness of the training. Through a professional team of instructors, well-designed courses, perfect systems and clear processes, we provide employees with a platform for their continuous learning and development, thus improving overall work efficiency and competitiveness.

In 2024, we held 18 orientation sessions for business awareness and new employees to help them quickly understand the business and corporate culture, with nearly 150 participants and a total duration of nearly 750 hours.



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During the reporting period, 159 employees received training. The percentage of trained employees divided by gender and employee type is as follows:

Indicators	Data in 2024 (%)
By gender	
Proportion of trained male employees	54.09
Proportion of trained female employees	45.91
By employee type	
Proportion of trained senior management employees	3.14
Proportion of trained intermediate management employees	17.61
Proportion of trained junior employees	79.25

During the reporting period, the per-capita training duration was 18.42 hours. The per-capita training duration divided by gender and employee type is as follows:

Indicators	Data in 2024 (hour)
By gender	
Average training hours for male	18.96
Average training hours for female	17.80
By employee type	
Average training hours for senior management employees	13.33
Average training hours for intermediate management employees	14.28
Average training hours for junior employees	19.55

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

V. WIN-WIN SITUATION AND COMMON PROGRESS

1. Sustainable Supply Chain

Supplier Quality Management

BrainAurora attaches great importance to supply chain management, regards suppliers as important partners, and is committed to building a comprehensive and process-oriented supplier management system. We follow the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Regulation on the Implementation of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標實施條例》) and other laws and regulations, and have formulated the Procurement Management System (《採購管理制度》) to continuously enhance the standardization of supplier management processes, and strictly control environmental and social risks in supplier selection and introduction, evaluation, daily management, and other aspects. We implement the concept of green procurement, focus on the fulfillment of suppliers' environmental and social responsibilities in all aspects of procurement, give priority to suppliers with relevant environmental qualifications, and build harmonious and win-win relationships with suppliers.

Supplier management

mechanism	Content
Supplier selection	Prioritize key suppliers or standard channel suppliers in the Supplier List.
Supplier introduction	<p>New suppliers must undergo strict qualification review:</p> <ul style="list-style-type: none"> Based on the characteristics of the procurement projects, take a differentiated evaluation mechanism, including expert reviews for special projects, cross-departmental review meetings for engineering projects, and professional evaluations for technical procurement in various forms. The execution department and the review department of procurement shall conduct a comprehensive risk assessment of suppliers, including verifying core information such as legal person and shareholder information, company establishment year, and major litigation records. Unnecessary information such as the ultimate beneficiary in business operations may not be included in the Supplier List.
Supplier evaluation	The Company evaluates the products, services, environmental and social performance of suppliers based on their cooperation situation, and considers the evaluation results as important reference factors for subsequent cooperation with suppliers. The Company regularly updates the Supplier List and timely cancels cooperation with suppliers with poor cooperation performance to strictly control the quality of suppliers.

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Supplier management mechanism

Content

Supplier management

The Company regularly updates and backs up supplier qualifications, list, archives, and other related data, and makes clear regulations on the storage, updating, and other processes of supplier information to achieve efficient management of suppliers. In addition, the Company continuously tracks the compliance performance and fulfillment capability of suppliers. When we identify that suppliers have operational abnormalities, environmental violations, administrative penalties and legal disputes, are blacklisted by relevant departments, or have poor cooperation, we will promptly remove them from the Supplier List or blacklist them, and activate backup suppliers or develop new suppliers to ensure the high-quality services of the Company and avoid supply chain interruption risks.

In 2024, BrainAurora conducted on-site evaluations on 2 renovation service providers, focusing on their products, services, and related environmental and social performance.

Supplier Integrity Management

BrainAurora adheres to the principles of openness, fairness and impartiality, pays attention to the performance of suppliers in terms of integrity, and works together with suppliers to create a clean and upright business ecosystem. We sign Anti-commercial Bribery Agreements (《反商業賄賂協議》) with third parties such as suppliers, service providers and contractors who have important business dealings with the Company, and track and supervise the implementation of commitment letters.

We require all personnel involved in the procurement process to maintain fairness and integrity, and prohibit any corrupt behavior such as bribery. We have established a supplier rotation mechanism to prevent potential risks of fraud such as tunneling and commercial bribery. In terms of compliance management, the Company explicitly requires all procurement personnel to strictly abide by national laws and regulations, eliminate disguised commercial bribery behaviors such as “kickbacks” and “labor fees”, and strictly prohibit accepting improper benefits in the form of properties, securities or economic guarantees, commercial entertainment activities provided by suppliers. In response to conflicts of interest, the Company stipulates that procurement personnel must proactively declare specific relationships with suppliers, strictly follow avoidance requirements, and make sensitive information confidential during the procurement process. To ensure the fairness of procurement, the Company specially stipulates that management personnel at all levels shall not interfere with procurement activities, including not excluding potential suppliers and not designating members of the review committee in violation of regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the reporting period, the Company kept good long-term cooperation relationships with 266 suppliers. The distribution of suppliers is as follows:

Number of suppliers divided by region	Data in 2024 (supplier)
Total number of suppliers	266
Mainland China	261
Hong Kong, Macao and Taiwan	5

2. **Public Welfare and Charity**

BrainAurora is highly committed to fulfilling its social responsibilities and giving back to relevant communities. As a pioneer in the field of neuroscience, we pay special attention to the prevention and treatment of neurological diseases such as Alzheimer's disease. By sponsoring professional organizations to hold public welfare activities, we provide free online and offline diagnosis and health examination services for patients and their family members. Besides, BrainAurora gives full play to its professional advantages, regularly spreads professional brain science and cognitive health knowledge to the public through the official WeChat official account platform, and is committed to improving the brain health awareness of the whole people and promoting the development of social health undertakings.

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Case: BrainAurora cooperated with People's Daily Online to jointly write a new chapter for cognitive digital health

In May 2024, BrainAurora jointly initiated a Cognitive Digital Health Specialty Service Plan with People's Daily Online•People Health. By integrating professional medical intelligence and authoritative media resources, BrainAurora built a diversified and deep health service system. This plan focuses on the field of elderly health services, aiming to promote the high-quality development of digital technology in this field and bring better health services to the elderly. By establishing an expert committee, this plan gathers more authoritative experts and resources. In addition, we held demonstration case collection activities and built a specialty service platform to guide the public in establishing a scientific way of life. Furthermore, we also empowered the construction and development of digital AI technology in the cognitive center, created the People's Health Demonstration Center and the DTx Science and Technology Innovation Exhibition Center to show the application achievements of digital AI technology in the field of cognitive digital health. In addition, we have established a new industry model, leading the flourishing development of the cognitive digital health industry, further promoting the implementation of the Healthy China Strategy and the active aging strategy, and injecting stronger impetus into the health cause of China.



Launching ceremony of the Cognitive Digital Health Specialty Service Plan